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7 *Attorneys for the Official Committee of Equity
 Security Holders of USA Capital Diversified Trust
 Deed Fund, LLC*

9 **UNITED STATES BANKRUPTCY COURT
 10 DISTRICT OF NEVADA**

11 In re:
 12 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

13 In re:
 14 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

Chapter 11

15 In re:
 16 USA CAPITAL DIVERSIFIED TRUST DEED
 FUND, LLC,
 Debtor.

Jointly Administered Under
 Case No. BK-S-06-10725-LBR

17 In re:
 18 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

**DIVERSIFIED TRUST DEED
 FUND COMMITTEE'S OPPOSITION
 TO THE U.S. TRUSTEE'S MOTION
 TO CONVERT CASES TO CASES
 UNDER CHAPTER 7**

19 In re:
 20 USA SECURITIES, LLC,
 Debtor.

Date: October 30, 2006
 Time: 9:30 a.m.
 Courtroom: 1

Affects:

- All Debtors
- USA Commercial Mortgage Company
- USA Securities, LLC
- USA Capital Realty Advisors, LLC
- USA Capital Diversified Trust Deed Fund, LLC
- USA First Trust Deed Fund, LLC

24 The Official Committee of Equity Security Holders of USA Capital Diversified Trust
 25 Deed Fund, LLC (the "DTDF Committee"), hereby submits its opposition to The United States
 26 Trustee's Motion To Convert Cases To Proceedings Under Chapter 7 ("Motion") and requests
 27 that the Court deny the Motion.

The DTDF Committee has reviewed the responses to the Motion prepared by the Debtors, by the First Trust Deed Fund Committee and by the Unsecured Creditors Committee. It also has reviewed the various declarations in support of such pleadings. The DTDF Committee agrees that cause does not exist to convert the Chapter 11 Cases to cases under chapter 7. More importantly, however, the DTDF Committee agrees that even if cause did exist, the unusual circumstances of these Chapter 11 Cases warrant denial of the Motion, as conversion is not in the best interests of the creditors and the estates. Bankruptcy Code § 1112(b)(1).

The Debtors, working with the four official committees, have made tremendous progress towards the sale of their assets to Silver Point in an auction sale subject to overbid -- which all of the estates hope will result in substantially higher proceeds for the benefit of creditors and equity holders than would a chapter 7 liquidation of the same assets. Moreover, the Debtors and the four committees have devoted significant time, effort and energy, and have made substantial progress, towards negotiating a consensual plan of liquidation for the benefit of all of the Debtors' constituencies. The months of hard work spent by the Debtors and the four committees would be utterly wasted were the Chapter 11 Cases converted now, and the result would be that there will be substantially fewer assets available for distribution to creditors and investors due, in large part, to the dramatically higher costs involved in the transition to and the operation of chapter 7 cases. Plus, any distribution would be delayed. Simply put, the Committee believes that conversion at this crucial juncture would be disastrous. Accordingly, the Committee requests that the Court deny the Motion.

Respectfully submitted this 27th day of October 2006.

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